

**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**APPLICATION OF MEWBOURNE OIL  
COMPANY FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.**

CASE NO. \_\_\_\_\_

**APPLICATION**

Mewbourne Oil Company (“Mewbourne” or “Applicant”) (OGRID No. 14744), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interest owners in a standard 320-acre, more or less, well spacing unit in the Bone Spring formation underlying the E/2 W/2 of Sections 14 and 23, Township 18 South, Range 35 East, NMPM, Lea County, New Mexico. In support of its application, Mewbourne states:

1. Applicant is a working interest owner in the proposed spacing unit and has the right to drill thereon.
2. Mewbourne seeks to dedicate the above-referenced spacing unit to the proposed **Picanha 23/14 State Com #523H** well, to be drilled from a surface hole location in the SW/4 SW/4 (Unit M) of Section 23, a first take point in the SE/4 SW/4 (Unit N), and to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 14.
3. The completed interval of the well will comply with state setbacks for oil wells.
4. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all interest owners in the subject spacing unit.
5. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

WHEREFORE, Applicant requests that this matter be set for hearing before an Examiner of the Oil Conservation Division on July 10, 2025, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interest owners in the horizontal spacing unit;
- B. Designating Applicant as operator of this spacing unit and the horizontal well to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, completing, and equipping the well;
- D. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- E. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

HOLLAND & HART LLP

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**ATTORNEYS FOR MEWBOURNE OIL COMPANY**

**CASE \_\_\_\_\_:**      **Application of Mewbourne Oil Company for Compulsory Pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in a standard 320-acre, more or less, well spacing unit in the Bone Spring formation underlying the E/2 W/2 of Sections 14 and 23, Township 18 South, Range 35 East, NMPM, Lea County, New Mexico. Mewbourne seeks to dedicate the above-referenced spacing unit to the proposed **Picanha 23/14 State Com #523H** well, to be drilled from a surface hole location in the SW/4 SW/4 (Unit M) of Section 23, a first take point in the SE/4 SW/4 (Unit N), and to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 14. Also to be considered will be the cost of drilling and completing the well, the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Applicant as operator, and a 200% charge for risk involved in drilling and completing the well. Said area is located approximately 15 miles west of Hobbs, New Mexico.